

## Message Text

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PAGE 01 STATE 119185

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ORIGIN SS-30

INFO OCT-01 ISO-00 /031 R

DRAFTED BY ARA/APU:FVORTIZ/RCFELDER:SC

APPROVED BY ARA/GBKUBISCH

ARA/LA/PLC:COL.JWILLIAMS

NSC:SLOW

DOD:COL.TTHOMAS

DSAA:MR.DELARCO

USAF:LT.COL.WETESNEK

PM:DMCCLINTOCK

ARA:WGBOWDLER

S/S - MR. LUERS

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P 061502Z JUN 74

FM SECSTATE WASHDC

TO AMEMBASSY MONTEVIDEO PRIORITY

S E C R E T STATE 119185

EXDIS

E.O. 11652: GDS

TAGS: MASS,UY

SUBJECT: FMS CREDIT - URUGUAY

REF: MONTEVIDEO 1484

FOR AMBASSADOR FROM ASSISTANT SECRETARY KUBISCH

1. I APPRECIATE YOUR LETTER OF MAY 24 AND CABLE 1484 CONCERNING A-37A'S FOR URUGUAY. IN MY LETTER OF MAY 7 I DESCRIBED THE GENERAL CONCERN IN WASHINGTON OVER URUGUAY'S PRESENT HIGHLY ADVERSE ECONOMIC AND FINANCIAL SITUATION WHICH IN OUR JUDGEMENT IS A COMPELLING CONSIDERATION AGAINST OUR ENCOURAGING THE GOU TO ALLOCATE SUBSTANTIAL PORTION OF ITS SCARCE RESOURCES FOR THE PROCUREMENT OF EXPENSIVE WEAPONS SYSTEMS.

2. NOW THAT A-37'S HAVE BECOME AVAILABLE UNDER MIMEX

SECRET

SECRET

PAGE 02 STATE 119185

AT MUCH LOWER PRICE TAG THAN FIGURE INVOLVED IN

ORIGINAL GOU REQUEST OUR OBJECTION TO A-37 ACQUISITION IS REDUCED AND WE ARE PREPARED TO CONSIDER MAKING SOME OF THE RECONDITIONED AIRCRAFT AVAILABLE SUBJECT TO AVAILABILITY OF FMS CREDIT.

3. WE UNDERSTAND THAT 12 OF THESE AIRCRAFT CAN BE REHABILITATED TO ZERO TIME, RECONFIGURED INTO THE "B" MODEL AND DELIVERED IN URUGUAY WITH SPARES, GROUND EQUIPMENT AND NECESSARY TRAINING INCLUDED FOR APPROXIMATELY

6.7 MILLION - OR LESS THAN TWO-THIRDS OF THE COST OF THE SAME NUMBER OF NEW A-37B'S. ASSUMING THE GOU WOULD BE INTERESTED IN THE PLANE, AND THAT APPROVAL FOR THE EXTENSION OF AN FMS CREDIT TO COVER THE PURCHASE COULD BE OBTAINED HERE, THE CREDIT WOULD BE DRAWN DOWN OVER THE NEXT THREE FISCAL YEARS, LARGELY FROM THE OVERALL \$2.5 MILLION ANNUAL FMS CREDIT LEVEL YOU HAVE PROPOSED FOR URUGUAY.

4. THE USAF HAS PLACED A TEMPORARY HOLD ON 12 OF THE A-37A'S PENDING REASONABLY PROMPT CONSIDERATION OF THE FMS CREDIT WITHIN THE USG, AND A POSSIBLE SUBSEQUENT OFFER OF THE AIRCRAFT TO THE GOU. THE PLANES WILL NOT, THEREFORE, BE ASSIGNED TO ANY OTHER COUNTRY FOR THE TIME BEING. IN THE CIRCUMSTANCES, IT WOULD BE PREFERABLE NOT TO COMMUNICATE THIS MIMEX OFFER TO THE GOU UNTIL WE RESOLVE THE FMS CREDIT QUESTION HERE.

5. I WOULD APPRECIATE HAVING YOUR JUDGMENT AS SOON AS POSSIBLE AS TO WHETHER THE GOU IS LIKELY TO BE INTERESTED IN THE A-37A'S. KISSINGER

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## Message Attributes

**Automatic Decaptioning:** Z  
**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** MILITARY ASSISTANCE, MILITARY AIRCRAFT, PRICE TRENDS, DIPLOMATIC COMMUNICATIONS, MILITARY CREDIT  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 06 JUN 1974  
**Decaption Date:** 28 MAY 2004  
**Decaption Note:** 25 YEAR REVIEW  
**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
**Disposition Authority:** smithrj  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 28 MAY 2004  
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